


STATEMENT OF BASIS TO ISSUE A PERMIT TO CONSTRUCT AN AIR CONTAMINANT SOURCE

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LLCHD Air Quality Program Source Number:	00403
LLCHD Air Quality Program Construction Permit Number:	201A
Proposed Permit Issue Date:	02 – 15 – 2022

The Lincoln-Lancaster County Health Department (LLCHD) has made the preliminary determination to issue a permit to construct an air contaminant source to the following:

Permit Holder Name:	District Energy Corporation
Address:	9445 Rokeby Rd.
City, County, State, ZIP:	Lincoln, Nebraska 68526

The proposed permit allows for construction at the following source:

Facility Site Name:	DEC Nebraska State Penitentiary Thermal Facility
Facility Address:	815 Pioneers Boulevard
City, County, State, ZIP:	Lincoln, Lancaster County, Nebraska 68502
Facility NAICS:	221330: Steam and Air-Conditioning Supply

In accordance with requirements set forth under Article 2, Section 14 of the Lincoln-Lancaster County Air Pollution Control Programs Regulations and Standards (LLCAPCPRS), the LLCHD may not issue a construction permit until the public has been given the opportunity to comment on the draft permit.

Within the 30-day public comment period, any interested person, agency, group, or affected state may request or petition the Director of the LLCHD for a public hearing. All requests for public hearing must be made in writing, and must state the nature of the issues to be raised and all arguments and factual grounds supporting their position. If a public hearing is granted by the Director, the hearing will be advertised by public notice at least 30 days prior to its occurrence.

A final determination on this permit will be made following the opportunity of the public to review and comment on the draft permit, and any/all comments received have been addressed.

The conclusion of this document will include a recommendation to either approve or deny the issuance of a construction permit for this source.

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Section 1 – Introduction

District Energy Corporation (hereinafter referred to as ‘DEC’ or ‘the source’) is a thermal energy plant located at 815 Pioneers Boulevard in Lincoln, Nebraska. The facility is known as the DEC Nebraska State Penitentiary Thermal Facility (NSPTF). The DEC NSPTF is a facility that produces heat in the form of steam and cooling in the form of chilled water for supply to the Nebraska State Penitentiary (NSP) and laundry operations (steam only). NSPTF also provides backup electrical service (non-life safety) to NSP. NSP is a separate facility under different ownership.

Section 2 – Permitting History

2.01 –Issuance of Construction Permit #201

Construction Permit #201 was issued to DEC for the initial construction of NSPTF with an application date of July 9, 2018 (which includes an application amendment dated December 18, 2018).

2.02 – Proposed Issuance of Construction Permit #201A

This document serves as the factual and legal basis for the proposed issuance of Construction Permit #201A to DEC. The sections that follow provide more information on the source, the nature of emissions from the proposed construction, evaluation of the potential to emit, and a discussion of conditions set forth in the draft permit.

This Construction Permit modifies regulatory applicability for the source to incorporate 40 CFR Part 63, Subpart JJJJJ for the boiler emission units identified in this permit. Company and facility addresses are also being amended with issuance of this permit.

Section 3 – Source Characterization

3.01 – Source Description

DEC emissions are contributed by the following units: four (4) dual-fueled watertube boilers with a maximum rated capacity of 450 boiler horsepower (BHP) utilizing natural gas and fuel oil (No. 1 or 2); two (2) cooling towers with the maximum circulation rate of 2,450 gallons per minute each; three (3) diesel-

fired emergency generators with the maximum rated capacity of 2,206 horsepower each; two (2) underground storage tanks (UST) used for ultra-low sulfur distillate oil (No.2) (ULSD) with a maximum capacity of 10,000 gallons each; one (1) aboveground storage tank (AST) with a maximum capacity of 500 gallons – which receive and store ULSD from the USTs for the boilers; three (3) ASTs with a maximum capacity of 199 gallons each – which receive and store ULSD from the USTs for the emergency generators; and two (2) electric centrifugal chillers.

The boilers and emergency generators will be housed in a building, the chillers will be located on the roof, and the USTs will be located on the west side of the building. DEC identified no emissions from the chillers.

3.02 – Permitted Emission Units

Emission Unit (EU) #	SCC Code Number	Emission Point Description	Emission Segment Description
1-1	1-03-006-02	Dual Fuel Watertube Boiler	Natural Gas
1-2	1-03-005-02		Distillate Oil (#1 or #2)
2-1	1-03-006-02	Dual Fuel Watertube Boiler	Natural Gas
2-2	1-03-005-02		Distillate Oil (#1 or #2)
3-1	1-03-006-02	Dual Fuel Watertube Boiler	Natural Gas
3-2	1-03-005-02		Distillate Oil (#1 or #2)
4-1	1-03-006-02	Dual Fuel Watertube Boiler	Natural Gas
4-2	1-03-005-02		Distillate Oil (#1 or #2)
5-1	3-85-001-01	Cooling Tower	Water Circulation Rate
5-2	3-85-001-01	Cooling Tower	
6-1	2-02-004-01	Emergency Generator	Diesel
7-1	2-02-004-01	Emergency Generator	Diesel
8-1	2-02-004-01	Emergency Generator	Diesel
9-1	-	Underground Storage Tank	Distillate Oil No. 2
10-1	-	Underground Storage Tank	Distillate Oil No. 2
11-1	-	Aboveground Storage Tank	Distillate Oil No. 2
12-1	-	Aboveground Storage Tank	Distillate Oil No. 2
13-1	-	Aboveground Storage Tank	Distillate Oil No. 2
14-1	-	Aboveground Storage Tank	Distillate Oil No. 2
15-1	-	Electric Centrifugal Chiller	Fugitive GHG & HAP
15-2	-	Electric Centrifugal Chiller	Fugitive GHG & HAP
16-1	-	Haul Roads	Fugitive Dust

Section 4 – Emission Characterization

4.01 – Emission Calculation Factors and Methods

The procedures for performing emission calculations are provided in the construction permit application. These procedures will be used to provide the emissions information required for the annual emissions inventory.

4.02 – Maximum Potential Emission Calculations and Totals

4.02.01 – Maximum Potential to Emit (MPTE) – Criteria Pollutants

The following emissions are derived from the approved application for this facility.

Emission Unit	Annual Process Rate	PM ₁₀ (lbs/yr)	PM _{2.5} (lbs/yr)	NO _x (lbs/yr)	SO _x (lbs/yr)	VOC (lbs/yr)	CO (lbs/yr)	CO _{2e} (lbs/yr)	LEAD (lbs/yr)	Total HAPs ^[2] (lbs/yr)
Boilers ^[1]	660.3 MMscf/yr	2,609	2,609	121,955	1,011	3,566	104,346	106,702,863	5.87	1,558
	4.63 MMgal/yr									
Cooling Towers ^[3]	8,760 hrs/yr	176.18	90.21	-	-	-	-	-	-	-
Emergency Generators ^[3]	8,760 hrs/yr	5,112	5,112	840,968	703.50	20,449	111,192	62,513,033	-	641.71
Haul Roads	8,760 hrs/yr	61.97	15.21	-	-	-	-	-	-	-
Total Annual Pounds		7,959	7,826	962,923	1,714	24,015	215,538	169,215,896	5.87	2,199
Total Annual Tons		3.98	3.91	481.46	0.86	12.01	107.77	84,608	0.003	1.10

^[1] Total emissions from all of the boilers combined is displayed in the table. Total annual emissions are based on the worst case scenario of using both the natural gas and distillate oil. PTE is based on 8,760 hrs/yr in which natural gas is estimated at 660.3 MMscf/yr and fuel oil at 4,625,280 gal/yr.

^[2] Total HAPs without Lead compounds.

^[3] Total emissions from process equipment combined.

4.02.02 – Maximum Potential to Emit (MPTE) – Hazardous Air Pollutants (HAPs)

The maximum potential emissions of hazardous air pollutants is summarized below:

HAP Name	Annual Emissions (lbs)	Annual Emissions (tons)
Largest Single HAPs		
Benzene	293.63	0.15
Formaldehyde	311.85	0.16
Hexane	1,189	0.59
Other HAPs	405.32	0.20
Total Annual HAPs^[1]	2,200	1.10

^[1] The total annual HAPs include Lead (Pb).

4.02.03 – Maximum Potential to Emit – Permit Threshold Evaluation

The following table summarizes the source's potential to emit, and compares it to applicable 'minor NSR' construction permit and 'Prevention of Significant Deterioration of Air Quality' (PSD) construction permit thresholds. The DEC NSPTF does not fall under the twenty-eight (28) category sources, therefore, is subject to the 250 tpy PTE threshold:

Criteria Pollutant	Emissions (tpy)	Minor NSR Construction Permitting Threshold	Meet or Exceed?	PSD Const. Permitting Threshold	Meet or Exceed?
PM ₁₀	3.98	≥ 15 tpy	No	≥ 250 tpy	No
PM _{2.5}	3.91	≥ 10 tpy	No	≥ 250 tpy	No
NO _x	481.46	≥ 40 tpy	Yes	≥ 250 tpy	Yes
SO _x	0.86	≥ 40 tpy	No	≥ 250 tpy	No
VOC	12.01	≥ 40 tpy	No	≥ 250 tpy	No
CO	107.77	≥ 50 tpy	Yes	≥ 250 tpy	No
CO ₂ e	84,608	N/A	N/A	100,000 tpy	No
Lead	<0.01	≥ 0.6 tpy	No	≥ 5.0 tpy	No
Hazardous Air Pollutant	Emissions (tpy)	Class II Permitting Threshold	Meet or Exceed?	Class I Permitting Threshold	Meet or Exceed?
Greatest Single HAP	0.59	≥ 2.5 tpy	No	≥ 10.0 tpy	No
Total Combined HAPs	1.10	≥ 10.0 tpy	No	≥ 25.0 tpy	No

4.03 – Limited Potential Emission Calculations and Totals

The owner/operator has elected to accept control device requirements in their construction permit and operational limitations. DEC NSPTF will utilize a Flue Gas Recirculation (FGR) system with the boilers to reduce NO₂ emissions, in addition to limiting the hours of operation for when fuel oil is used. The emergency generators also have hours of operation restriction. The 'limited/controlled potential to emit' is presented in the following subsections.

4.03.01 – Limited Potential to Emit – Criteria Pollutants

The following emissions are derived from the approved application for this facility. The limited annual process rates reported in this table are from Table 7-A of the approved construction permit application.

Emission Unit	Annual Process Rate	PM ₁₀ (lbs/yr)	PM _{2.5} (lbs/yr)	NO _x (lbs/yr)	SO _x (lbs/yr)	VOC (lbs/yr)	CO (lbs/yr)	CO ₂ e (lbs/yr)	LEAD (lbs/yr)	Total HAPs ^[2] (lbs/yr)
Boilers ^[1]	660.3 MMscf/yr	1,812	1,812	46,364	499.82	3,566	98,291	82,224,962	1.26	1,258
	780.0 Mgal/yr									
Cooling Towers ^[3]	8,760 hrs/yr	176.18	90.21	-	-	-	-	-	-	-
Emergency Generators ^[3]	350 hrs/yr	204.26	204.26	33,600	28.11	817.03	4,443	2,497,667	-	25.64
Haul Roads	8,760 hrs/yr	0.004	0.001	-	-	-	-	-	-	-
Total Annual Pounds		2,200	2,109	79,964	527.92	4,383	102,734	84,722,629	1.26	1,284
Total Annual Tons		1.10	1.05	39.98	0.26	2.19	51.37	42,361	<0.01	0.64

^[1] Total emissions from all of the boilers combined is displayed in the table. Total annual emissions are based on the worst case scenario of using both the natural gas and distillate oil. The hours of operation for natural gas usage is at 8,760 hrs/yr and 1,477 hrs/yr for distillate oil usage in the boilers.

^[2] Total HAPs without Lead compounds.

^[3] Total emissions from process equipment combined.

4.03.02 – Limited Potential to Emit – Hazardous Air Pollutants (HAPs)

The limited potential emissions of HAPs from this source are summarized below:

HAP Name	Annual Emissions (lbs)	Annual Emissions (tons)
Largest Single HAPs		
Benzene	12.71	0.0064
Formaldehyde	48.73	0.024
Hexane	1,188	0.59
Other HAPs	33.6	0.017
Total Annual HAPs ^[1]	1,284	0.64

^[1] The total annual HAPs include Lead (Pb).

4.03.03 – Limited Potential to Emit – Permit Threshold Evaluation

The following table summarizes the source's limited potential to emit, and compares it to applicable 'minor NSR' construction permit and 'PSD' construction permit thresholds:

Criteria Pollutant	Emissions (tpy)	Minor NSR Permitting Threshold	Meet or Exceed?	PSD Const. Permitting Threshold	Meet or Exceed?
PM ₁₀	1.10	≥ 15 tpy	No	≥ 250 tpy	No
PM _{2.5}	1.05	≥ 10 tpy	No	≥ 250 tpy	No
NO _x	39.98	≥ 40 tpy	No	≥ 250 tpy	No
SO _x	0.26	≥ 40 tpy	No	≥ 250 tpy	No
VOC	2.19	≥ 40 tpy	No	≥ 250 tpy	No
CO	51.37	≥ 50 tpy	Yes	≥ 250 tpy	No
CO _{2e}	42,361	N/A	N/A	100,000 tpy	No
Lead	<0.01	≥ 0.6 tpy	No	≥ 5.0 tpy	No
Hazardous Air Pollutant	Emissions (tpy)	Class II Permitting Threshold	Meet or Exceed?	Class I Permitting Threshold	Meet or Exceed?
Greatest Single HAP	0.59	≥ 2.5 tpy	No	≥ 10.0 tpy	No
Total Combined HAPs	0.64	≥ 10.0 tpy	No	≥ 25.0 tpy	No

4.04 – Permit Threshold Evaluation

This construction permit is being issued at the request of the owner/operator to establish federally-enforceable limits on the potential-to-emit (PTE) of each process equipment. Because the PTE is limited by the permit to levels that are lower than the Class I operating permit thresholds set forth in Article 2, Section 5, paragraph (A)(2) of the LLCAPCRS; therefore, this source is required to obtain a **Class II operating permit** (*an operating permit application was submitted by the source dated July 1, 2020*).

Section 5 – Applicable and Non-Applicable Regulations & Requirements

The source is subject to all applicable rules and requirements under LLCAPCPRS and NSPS/NESHAP subparts whether or not they are identified in the permit. All tables (and header designations) correspond to the proposed construction permit.

- (A) The following sections (§) are applicable regulations under the LLCAPCPRS of the proposed permit:

Table 1-A: Applicable Regulations of the LLCAPCPRS

Article 1: Administration and Enforcement	
§1	Intent
§2	Unlawful Acts – Permits Required
§3	Violations – Hearings – Orders
§4	Appeal Procedure
§5	Variance
§6	Fees
§7	Compliance – Actions to Enforce – Penalties for Non-Compliance
§8	Procedure for Abatement
§9	Severability
Article 2: Regulations and Standards	
§1	Definitions
§4	Ambient Air Quality Standards
§6	Emissions Reporting – When Required
§14	Permits – Public Participation
§15	Permit Modifications – Reopening for Cause
§16	Stack Heights – Good Engineering Practice (GEP)
§17	Construction Permits – When Required
§18	New Source Performance Standards (NSPS)
§20	Particulate Emissions – Limitations and Standards
§24	Sulfur Compound Emissions – Existing Sources – Emission Standards
§28	Hazardous Air Pollutants – MACT Emission Standards
§29	Operating and Construction Permit Emission Fees
§32	Dust – Duty to Prevent Escape Of
§33	Compliance – Time Schedule For
§34	Emission Sources – Testing – Monitoring
§35	Compliance – Exceptions Due to Startup Shutdown or Malfunction
§36	Control Regulations – Circumvention – When Excepted
§37	Compliance – Responsibility of Owner/Operator Pending Review by Director
§38	Emergency Episodes – Occurrence and Control – Contingency Plans
Appendices	
I	Emergency Emission Reduction Regulations
II & III	Hazardous Air Pollutants (HAPs)

- (B) The following section(s) are applicable regulations under the Lincoln Municipal Code (LMC) of the proposed permit:

Table 1-B: Applicable Lincoln Municipal Code (LMC) Chapter(s)

Chapter	Chapter Title
8.06	Air Pollution

- (C) The following Federal Regulations are applicable requirements of the proposed permit. Non-applicability of specific Federal Regulations is provided in **Table** of the proposed permit:

Table 1-C: Applicable Federal Regulations

40 CFR Part 60: NSPS	
<i>Subpart</i>	<i>Subpart Title</i>
A	General Provisions
Dc	Standards of Performance for Small Industrial-Commercial Institutional Steam Generating Units
IIII	Standards of Performance for Stationary Compression Ignition Internal Combustion Engines
40 CFR Part 63: Source Category NESHAPs	
<i>Subpart</i>	<i>Subpart Title</i>
A	General Provisions
ZZZZ	National Emissions Standards for Hazardous Air Pollutants for Stationary Reciprocating Internal Combustion Engines
JJJJJ	National Emissions Standards for Hazardous Air Pollutants for Industrial, Commercial, and Institutional Boilers Area Sources

- (D) The following sections of the LLCAPCPRS are not applicable requirements of the proposed permit:

Table 1-D: Non-Applicable Regulations of the LLCAPCPRS

Article 2: Regulations and Standards	
§2	Major Sources – Defined
§5	Operating Permits – When Required
§7	Operating Permits – Application
§8	Operating Permits – Content
§9	General Operating Permits for Class I and II Sources
§10	Operating Pmts. for Temp. Sources & Notification of Relocation of Port. Equip.
§11	Emergency Operating Permits – Defense
§12	Operating Permit Renewal and Expiration
§13	Class I Operating Permit – EPA Review – Affected States Review
§19	Prevention of Significant Deterioration (PSD) of Air Quality
§21	Compliance Assurance Monitoring (CAM)
§22	Incinerator Emission Standards
§23	Hazardous Air Pollutants – Emission Standards
§25	Nitrogen Oxides – Emissions Standards for Existing Stationary Sources
§26	Acid Rain
§27	Hazardous Air Pollutants – Maximum Achievable Control Technology (MACT)
§3, §30, §31	Reserved

- (E) The following Federal Regulations are not applicable requirements of the proposed permit:

Table 1-E: Non-Applicable Federal Regulations

Regulation	Non-Applicable Subparts, Section(s), or Appendix
40 CFR Part 51	Appendix S: Emission Offset Interpretive Ruling
40 CFR Part 52	Subpart A §52.21: Prevention of Significant Deterioration of Air Quality
40 CFR Part 60	All subparts, except those listed as applicable in Table 1-C at the time of permit issuance
40 CFR Part 61	Entire rule is non-applicable at the time of permit issuance
40 CFR Part 63	All subparts, except those listed as applicable in Table 1-C at the time of permit issuance
40 CFR Part 64	Entire rule is non-applicable at the time of permit issuance
40 CFR Part 68	Entire rule is non-applicable at the time of permit issuance
40 CFR Part 98	Entire rule is non-applicable at the time of permit issuance

Section 6 – Discussion of Proposed Permit Conditions, Operational, Monitoring, Reporting, Record Keeping, Notification and Testing Requirements

The following conditions of the proposed permit contain operational, monitoring, reporting, record keeping, notification, performance testing, and other requirements. A brief description of the condition is provided below:

6.01 – General Conditions

Conditions II through XXVII are general conditions that are applicable to all sources receiving a construction permit. There will not be an in-depth discussion of these requirements, except to note the following General Conditions specifically related to monitoring, reporting, notification, and record-keeping:

- VI – Fees
- XI – Annual Emission Reporting
- XII(B) – Notification of Source Modifications
- XIX(E) – ‘Credible Evidence Rule’
- XX – Startup, Shutdown, and Malfunction (SSM) Provisions

6.02 – Specific Conditions

The following are specific conditions of the proposed construction permit:

- XXIV. Specific Requirements for the Permitted Emission Units as identified in the proposed permit:
 - (A) Condition XXIV(A) – This condition establishes that the source must construct and operate the proposed facility as described in the approved application and in the permit. The source must evaluate any change in the method of operation that would impact emissions prior to implementation.
 - (B) Condition XXIV(B) – This condition is intended to ensure that the units are operated in such a manner that their contributions to air pollution are minimized, and to incorporate any elections made in the approved application by reference.
 - (C) Emission Limits and Emission Control Requirements.
 - (1) – Condition XXIV(C)(1) – The requirements set forth under this condition are incorporated as applicable requirements from Article 2, Section 20 of the LLCAPCPRS. The source shall calculate emissions from combustion processes from each permitted combustion unit using the formula in Section 20, paragraph B, Table 20-1, and ensure that particulate matter emissions from each unit does not exceed the calculated Section 20 emission limitations.
 - (2) – Condition XXIV(C)(2) – Boilers: EUs 1-1, 1-2, 2-1, 2-2, 3-1, 3-2, 4-1, and 4-2
The requirements and limitations set forth under this condition have been established based on applicable federal rules (40 CFR 60, Subpart Dc and 40 CFR 63, Subpart JJJJJ) that the emission units are subject to and based on self-imposed conditions agreed upon by the owner/operator. The source must comply with the most stringent SO₂ emission limitation identified in this condition. The source must utilize the NO₂ emission control technique, FGR, at all times to lower NO₂ emissions.
 - (3) – Condition XXIV(C)(3) – Emergency Generators: EUs 6-1, 7-1, and 8-1
The source must comply with applicable federal requirements set forth in this condition for the emergency generators.

(D) Operating and Monitoring Requirements and Limitations.

- (1) – Condition XXIV(D)(1) – This condition establishes the requirements set forth Condition XXIV(C)(1) of the permit.
- (2) – Condition XXIV(D)(2) – Boilers: EUs 1-1, 1-2, 2-1, 2-2, 3-1, 3-2, 4-1, and 4-2
The source must comply with all applicable requirements and limitations identified in the federal rules: 40 CFR Part 60, Subpart Dc & 40 CFR 63, Subpart JJJJJ; in addition to other self-imposed conditions set forth under this condition as agreed upon by the owner/operator. The Boilers PTE was based upon emission factors that includes reduction efficiency from a Flue Gas Recirculation (FGR) system and fuel oil usage limitation. It is imperative that the facility uses FGR with the boilers when in operation in order to keep NO₂ emissions below modeling and PSD thresholds. SO₂ emissions must be properly monitored by obtaining and maintaining records of fuel certification that shows fuel SO₂ content provided by the fuel suppliers in order to show compliance with Condition XXIV(C)(2)(c) of the permit.
- (3) – Condition XXIV(D)(3) – Cooling Towers: EUs 5-1 and 5-2
The source must properly operate the cooling towers and maintain their drift loss rates in accordance with the manufacturer's specifications. The total dissolved solids concentration in each cooling tower must be monitored and measured when in use.
- (4) – Condition XXIV(D)(4) – Emergency Generators: EUs 6-1, 7-1, and 8-1
The source must comply with all applicable requirements and limitations identified in the federal rules: 40 CFR Part 60, Subpart IIII and 40 CFR Part 63, Subpart ZZZZ; in addition to other self-imposed conditions set forth under this condition as agreed upon by the owner/operator. Sulfur content in fuel used for the engines must not exceed the limit set in paragraph (D)(4)(d) of the permit.
- (5) – Condition XXIV(D)(5) – The source must comply with the installation, operational, maintenance, and all other requirements as stipulated in the manufacturer's specifications, in the permit and in the federal rules.

(E) Reporting and Recordkeeping Requirements.

- (1) – Condition XXIV(E)(1) – Boilers: EUs 1-1, 1-2, 2-1, 2-2, 3-1, 3-2, 4-1, and 4-2
This condition identifies that the source must report and keep records of all requirements set forth under this condition to show compliance demonstration with Conditions XXIV(C)(2), (D)(2), and (F)(2).
- (2) – Condition XXIV(E)(2) – Cooling Towers: EUs 5-1 and 5-2
This condition identifies that the source must keep records of TDS concentration monitored and measured to show compliance with paragraph (D)(3) of the permit. The facility is required to show conversion calculations for TDS concentration measured and recorded.
- (3) – Condition XXIV(E)(3) – The Emergency Generators: EUs 6-1, 7-1, and 8-1
This condition identifies that the source must report and keep records of all applicable requirements set forth under this condition to show compliance demonstration with Conditions XXIV(C)(3), (D)(4), and (F)(4).

- (4) – Condition XXIV(E)(4) – This condition identifies proper recordkeeping and maintenance of records for each permitted emission unit.
 - (5) – Condition XXIV(E)(5) – This condition identifies requirements for the permit and other legal document onsite to ensure proper compliance with the permit requirements.
 - (6)-(7) – Condition XXIV(E)(6)-(7) – This condition ensure that all records contain the information necessary to verify compliance with the permit for a duration of at least 5 years.
 - (8) – Condition XXIV(E)(8) – This condition requires the owner/operator to report emissions to the Department annually, as required by Condition XI.
- (F) Performance Testing and Notification Requirements.
- (1) – Condition XXIV(F)(1) – This condition requires the owner/operator to notify the Department in the event of excess emissions and initial startup of each emission unit.
 - (2) – Condition XXIV(F)(2) – This condition specifies notification requirements for when the source starts initial operations.
 - (3) – Condition XXIV(F)(3) – Boilers: EUs 1-1, 1-2, 2-1, 2-2, 3-1, 3-2, 4-1, and 4-2
This condition requires the source to comply with all testing requirements set forth in the federal rules and those identified in the permit for SO₂.
 - (4) – Condition XXIV(F)(4) – The Emergency Generators: EUs 6-1, 7-1 and 8-1
This condition requires the source to comply with all testing and notification requirements set forth in the federal rules identified under this condition. The facility must comply with 40 CFR 63, Subpart ZZZZ requirements by complying with 40 CFR 60, Subpart IIII. The source will demonstrate compliance with Subpart ZZZZ requirements by complying with Subpart IIII requirements.
- (G) Other Requirements.
- (1)-(2) – Condition XXIV(G)(1)-(2) – These conditions serve to ensure that the Department is aware of any changes to the emission units, and to ensure that the owner/operator complies with all applicable requirements for control, monitoring, etc. in a timely manner.
 - (3) – Condition XXIV(G)(3) – This condition identifies requirements for prior approval from the Department before the facility makes any modification to approved permit application and information.

Section 7 – Summary of Permit Conditions Enforceable by Agency

- (1) LLCHD (Local) – All conditions indicated in this permit, with the exception of 40 CFR Part 82, as referenced under Condition I(C).
- (2) EPA (Federal) – All conditions indicated in this permit with the exception of General Condition (Regulations) I(B).

Section 8 – Compliance Assurance Monitoring

Because DEC NSPTF will not be a major source for any criteria or hazardous air pollutant, the requirements of 40 CFR Part 64 do not apply.

Section 9 – Pollution Prevention Opportunities

The Department encourages DEC to continually examine its operations for pollution prevention opportunities. The Department's Technical Assistance Program can provide resources to aid the facility in exploring available pollution prevention options.

Section 10 – Air Quality Program Recommendation

The Department proposes approval of a Construction Permit for this facility. Enforceable permit conditions have been provided in the draft permit. A final determination on this permit will be made following the opportunity of the public to comment on the draft permit, and any comments received have been addressed.

Section 11 – Public Participation

The following notice is scheduled for publication in the **January 14, 2022** edition of the Lincoln Journal Star, which is a newspaper of general circulation in Lancaster County, Nebraska. This notice, along with the draft permit, statement of basis, and permit application will also be made available on the Lincoln-Lancaster County Health Department (LLCHD) Air Quality Program website at the following URL:

<http://lincoln.ne.gov/city/health/envIRON/Air/PubNot.htm>

NOTICE OF INTENT TO ISSUE PERMIT

LINCOLN-LANCASTER COUNTY HEALTH DEPARTMENT (LLCHD)

- A. In accordance with Article 2, Section 14 of the Lincoln-Lancaster County Air Pollution Control Program Regulations and Standards (LLCAPPRS), the LLCHD gives notice of the preliminary determination to approve the following permitting action(s) for the source identified in item 'B' (below). The 30-day public comment period commences January 14, 2022 and ends on February 13, 2022.
1. Proposed issuance of a minor New Source Review permit to construct.
- B. Issuance of the proposed permit allows for construction of the subject emission source within Federal, State and Local requirements. Provided below are the name, address, and the North America Industry Classification System (NAICS) code(s) describing the nature of business at the subject emission source:
1. Source Name: District Energy Corporation
 2. Source Location: 815 Pioneers Boulevard, Lincoln, Lancaster County, Nebraska, 68502.
 3. NAICS Codes: 221330 (Steam and Air-Conditioning Supply)
- C. This construction permit has been requested by the owner/operator for the construction of a thermal energy plant. The source requested for operational limitations and agreed to utilize emission control techniques to lower emissions below 'Prevention of Significant Deterioration of Air Quality' (PSD) permit thresholds and below Class I operating permit thresholds in Article 2, Section 5 of the LLCAPPRS.
- D. The proposed construction permit will allow for emissions of the following regulated air pollutants in the associated quantities. All quantities are in units of tons per year, or tpy.
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| Particulate matter <10 micrometers in diameter (PM ₁₀) | 1.10 tpy |
| Particulate matter <2.5 micrometers in diameter (PM _{2.5}) | 1.05 tpy |
| Oxides of Nitrogen (NO _x) | 39.98 tpy |
| Oxides of Sulfur (SO ₂ , SO ₃ , and combinations thereof) | 0.26 tpy |

Volatile Organic Compounds (VOC)	2.19 tpy
Carbon Monoxide	51.37 tpy
Lead	<0.01 tpy
Greatest Individual Hazardous Air Pollutant	0.59 tpy
Total Combined Hazardous Air Pollutants	0.64 tpy
Carbon Dioxide Equivalents	42,361.00 tpy

- E. The proposed permit, statement of basis, construction permit application, and a copy of this public notice document are available online at: <http://lincoln.ne.gov>, keyword search “air”. Those materials are also available for inspection during business hours at the office of the LLCHD at 3131 O Street, Lincoln, NE 68510. Telephone inquiries regarding this public notice may be directed to the Air Quality Program at (402) 441-8040. If alternate formats of materials are needed, please notify the Department by calling (402) 441-8040 or (402) 441-6284 for TDD users.
- F. Within the 30-day public comment period, any interested person, agency, or group may submit comments on the proposed permit(s), or request or petition the Director of the LLCHD for a public hearing in accordance with item ‘G’ below. Comments on the proposed permit(s) may be mailed to the attention of the Air Quality Program Supervisor at the address provided in item ‘E’ above, or submitted via e-mail to health@lincoln.ne.gov using the subject line ‘Comment on Air Quality Permit’. Individuals commenting via e-mail are asked to provide their home address and phone number for follow-up correspondence.
- G. Requests for public hearing must be made in writing, and must state the nature of the issues to be raised and all arguments and factual grounds supporting their position. If a public hearing is granted by the Director, the hearing will be advertised by public notice at least 30 days prior to its occurrence.